## What is claimed is:

- An isolated population of cells comprising an expressible nucleic acid encoding proinsulin containing a proinsulin cleavage site and a glucose-regulated expressible nucleic acid encoding a protease capable of cleaving said proinsulin cleavage site to produce insulin.
- 2. The isolated population of claim 1, 10 wherein said protease is furin.
  - 3. The isolated population of claim 1, wherein said glucose-regulated expressible nucleic acid further comprises a transforming growth factor- $\alpha$  (TGF- $\alpha$ ) regulatory element.
- 15 4. The isolated population of claim 1, wherein said proinsulin and said glucose-regulated protease are expressed from a single vector.
  - 5. The isolated population of claim 4, wherein said vector is a retroviral vector.
- 20 6. The isolated population of claim 4, wherein said vector further comprises a selectable marker.
- 7. The isolated population of claim 1, wherein said cells express a hexosamine biosynthetic pathway enzyme.
  - 8. The isolated population of claim 7, wherein said hexosamine synthetic pathway enzyme is glutamine:fructose-6-phosphate amidotransferase.

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- 9. The isolated population of claim 1, wherein said cells are smooth muscle cells.
- 10. The isolated population of claim 1,
  wherein said proinsulin cleavage site further comprises
  5 the following tetrabasic sequence comprising the amino
  acids:

Arg-Xaa-Lys/Arg/Xaa-Arg (SEQ ID NO:7),

wherein Xaa comprises any amino acid.

11. A three-gene vector comprising an

10 expressible nucleic acid encoding proinsulin containing a
proinsulin cleavage site, a glucose-regulated expressible
nucleic acid encoding a protease capable of cleaving said
proinsulin cleavage site to produce insulin, and a
selectable marker.

12. The three-gene vector of claim 11, wherein said protease is furin.

- $13. \ \ \, \text{The three-gene vector of claim 11, wherein}$  said glucose-regulated expressible nucleic acid further  $20 \ \, \text{comprises a TGF-$\alpha$ regulatory element.}$ 
  - 14. The three-gene vector of claim 11, wherein said selectable marker is neomycin phosphotransferase.
- 15. The three-gene vector of claim 11, wherein said proinsulin cleavage site further comprises a tetrabasic sequence comprising the amino acids:

Arg-Xaa-Lys/Arg/Xaa-Arg (SEQ ID NO:7)

16. The three-gene vector of claim 11 wherein said vector is a retroviral vector.

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- 17. A method of treating or preventing diabetes comprising implanting into an individual cells coexpressing proinsulin containing a proinsulin cleavage site and a glucose regulated protease capable of cleaving said proinsulin cleavage site to produce insulin.
- 18. The method of claim 17, wherein said protease is furin.
- 19. The method of claim 17, wherein said glucose-regulated protease is encoded by a glucose-regulated expressible nucleic acid further comprising a  $TGF-\alpha$  regulatory element.
- 20. The method of claim 17, wherein said cells are implanted in prosthetic grafts.
  - 21. The method of claim 20, wherein said prosthetic graft comprises polytetrafluoroethylene.
- 22. The method of claim 17, wherein said proinsulin and said protease are expressed from a single 20 vector.
  - 23. The method of claim 22, wherein said vector is a retroviral vector.
  - 24. The method of claim 22, wherein said vector further comprises a selectable marker.

- 25. The method of claim 17, wherein said cells are administered in a pharmaceutically acceptable carrier.
- 26. The method of claim 17, wherein said cells are smooth muscle cells.
  - 27. The method of claim 17, wherein said proinsulin cleavage site further comprises a tetrabasic sequence comprising the amino acids:

Arg-Xaa1-Lys/Arg/Xaa2-Arg (SEQ ID NO:7)

10 wherein Xaal and Xaal is any amino acid.

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- diabetes comprising implanting into an individual cells coexpressing proinsulin containing a proinsulin cleavage site, a glucose-regulated protease capable of cleaving said proinsulin cleavage site to produce insulin, and a hexosamine biosynthetic pathway enzyme.
- 29. The method of claim 28, wherein said protease is furin.
- 30. The method of claim 28, wherein said glucose-regulated protease is encoded by a glucose-regulated expressible nucleic acid further comprising a  $TGF-\alpha$  regulatory element.
- 31. The method of claim 28, wherein said 25 hexosamine biosynthetic pathway enzyme is glutamine:fructose-6-phosphate amidotransferase.

- 32. The method of claim 28, wherein said proinsulin and said glucose-regulated protease are expressed from a first vector and said hexosamine synthetic pathway enzyme is expressed from a second vector.
  - 33. The method of claim 32, wherein said first and second vectors are retroviral vectors.
  - 34. The method of claim 32, wherein said first and second vector further comprises a selectable marker.
- 35. The method of claim 28, wherein said cells are implanted in prosthetic grafts.
  - 36. The method of claim 35, wherein said prosthetic graft comprises polytetrafluoroethylene.
- 37. The method of claim 28, wherein said cells are administered in a pharmaceutically acceptable carrier.
  - 38. The method of claim 28, wherein said cells are smooth muscle cells.
- 39. The method of claim 28, wherein said 20 proinsulin cleavage site further comprises a tetrabasic sequence comprising the amino acids:

Arg-Xaa1-Lys/Arg/Xaa2-Arg (SEQ ID NO:7),

wherein Xaal and Xaa2 comprises any amino acid.

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40. A method for producing an isolated population of insulin-secreting cells, comprising transducing cells with the three-gene vector of claim 11 and isolating said transduced cells.